



City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor
Floyd Petersen, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: October 26, 2004

TO: City Council

SUBJECT: Request from the League of California Cities to support
Proposition 1A and oppose Propositions 68 and 70 on the
November 2 ballot

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DATE: October 14, 2004

TO: Mayors, Council Members and City Managers

FROM: Pat Eklund, President and Mayor, City of Novato
Chris McKenzie, Executive Director

SUBJECT: Invitation to Join Governor Schwarzenegger and the League In Support of Proposition 1A and Opposition to Propositions 68 and 70

One of the keys to the League's success on legislative issues this year has been the strong partnership the League and city officials across our state have formed with Governor Arnold Schwarzenegger. Not only did he champion the passage of Proposition 1A through the Legislature and now on the November 2nd ballot, but he has led the state in developing and securing agreements on tribal gaming compacts that give unprecedented revenue and protection to state and local governments, the environment, and the overall public interest. He also signed and vetoed key bills after the legislative session that helped advance the goals of stronger local governments.

As he explains in the attached letter, Governor Schwarzenegger supports Proposition 1A and he believes Propositions 68 and 70 would be giant steps backwards for California and its local governments. Numerous League policy committees and the League board of directors are in strong agreement with the Governor, and we have joined him in supporting Proposition 1A and in opposing these destructive initiatives. The reasons for this strong position are set forth in the attached draft resolution.

We are writing today to strongly urge your city council to take formal action supporting Proposition 1A and opposing Propositions 68 and 70. If you have already done so, thank you. Please send copies of your resolution(s) to the League offices in Sacramento (FAX 916-658-8240—*Attn.* Chris McKenzie, Executive Director), and we will let the Governor know your city supports strong state and city government.

For information on Proposition 1A, please go to <http://www.yesonprop1a.com/> and to <http://www.no68and70.org/> for information on Propositions 68 and 70.

Thanks for your support during this critical time in our state's recovery. We hope you can join us in support for Proposition 1A and opposition to Propositions 68 and 70.

Governor Schwarzenegger's
★ ★ California Recovery Team ★ ★

October 14, 2004

Dear Mayor and Council Members,

Since last fall's historic recall election, we have partnered together, worked hard and led the fight to bring California back. Most recently, we enacted a budget that included an historic bipartisan agreement to protect local government's tax dollars and allow cities and counties to budget and plan for the future.

Next month, we will pass Proposition 1A and protect funding for critical local services including police and fire protection, and health care. It will keep cops on the beat, firefighters on the line and nurses on duty.

Proposition 1A is an important part of our actions to protect and empower local government. But we have more work to do to achieve this overarching goal, and I need your help.

For years, Indian gaming tribes in California paid next to nothing to the state and local governments. In my campaign for governor, I pledged to bring the tribes to the negotiating table to secure a better deal for all the people of California. And on that pledge, I have delivered.

My Administration negotiated "fair-share" agreements with major Indian gaming tribes that will add \$1 billion in revenue for the state this year – revenue that I will dedicate exclusively to transportation projects. These fair share agreements will also bring the state hundreds of millions of dollars more for years to come.

These agreements will help local governments meet their law enforcement, fire protection and infrastructure needs, strengthen our environmental protections, and provide more rights and safeguards for casino workers and guests. These agreements are a good deal for taxpayers, for local government, for the tribes and for California's future.

But now these compacts, the state's critical oversight role for casino gambling, and important protections for local government, are being threatened by two dangerously irresponsible initiatives on the November ballot.

If passed, Propositions 68 and 70 would effectively *destroy these compacts* and erase the progress we have achieved. It would result in the *unlimited expansion* of gambling throughout California – with *no accountability to taxpayers*.

Proposition 70 is deceptively written to suggest that tribes will pay a percentage of their net profits to the state. But in reality, it doesn't contain a single provision to allow for an audit of casino books to discover their actual net profits.

Without an independent State audit, Californians will never know if they are getting a fair deal – or a raw deal.

Unlike the compacts I negotiated with the tribes, Proposition 70 does not require tribes to pay *any* compensation to local governments for impacts caused by casino operations. Proposition 70 provides *no money* for law enforcement, transportation or environmental impacts. This is an outrageous attempt to escape the accountability demanded by the people of California.

Additionally, legal experts who have analyzed Proposition 70 say it is poorly drafted and raises serious legal questions about some of its key provisions. In fact, some legal experts believe the provision requiring tribes to pay a portion of their net income to the state is an *unconstitutional tax*. If Proposition 70 passes, the tribes would then be free to retain all the other benefits of the initiative *without ever paying one dollar to the state*.

Propositions 68 and 70 are a slap to taxpayers and local governments, and also to the tribes who have negotiated in good faith to reach fair share agreements with California. Propositions 68 and 70 would severely *undermine the partnership* we are building between the tribes, state and local governments, and taxpayers.

Defeating these propositions and passing Proposition 1A are essential to protecting local government and vital local services – and an important part of our agenda to restore strength and prosperity to California.

The people of California have made it clear that they want an end to politics as usual, and they want their leaders to work together for the good of our state. Let's continue our bipartisan effort in support of local government, local services and taxpayers, and declare victory for California on November 2. I ask for your support, and I ask you to *join me in supporting Proposition 1A, and opposing Propositions 68 and 70.*

Sincerely,



Arnold Schwarzenegger

P.S. Please join the California Taxpayers' Association, the California Taxpayer Protection Committee, California State Sheriffs' Association, the California Police Chiefs' Association, California District Attorneys' Association, the California State Association of Counties, the League of California Cities and many others in *opposition to Propositions 68 and 70.*

**A RESOLUTION SUPPORTING PROPOSITION 1A AND OPPOSING
PROPOSITIONS 68 AND 70**

WHEREAS, Governor Arnold Schwarzenegger and the city leaders of California are united in their joint commitment to restore the fiscal health of California state and local governments; and

WHEREAS, during 2004 the Governor, Legislature and local officials throughout California worked in common cause for a historic Local Government Budget Agreement that provides additional short-term support to the state while providing long-term financial stability to both state and local governments. This agreement is embodied in Proposition 1A which will appear on the November 2, 2004 statewide ballot; and

WHEREAS, city officials across the state support the efforts of Governor Schwarzenegger and the California Legislature to erase the state budget deficit and restore the state budget to fiscal health; and

WHEREAS, one of the keys to restoring fiscal health of state government is the negotiation of fair agreements with the Indian tribes of California that engage in gaming under federal law which provide an appropriate level of financial contribution to the state; and

WHEREAS, Governor Schwarzenegger recently negotiated compacts with several gaming tribes that will add more than \$1 billion to the state's bottom line in the current fiscal year and hundreds of millions more every year; and

WHEREAS, the recently negotiated tribal gaming agreements also require mitigation of the impacts of gaming operations on local facilities and require the preparation of tribal environmental impact reports on new projects; and

WHEREAS, the recently negotiated tribal gaming agreements provide unprecedented protection and revenue support to the state and local governments of California; and

WHEREAS, Proposition 68 is being promoted by card clubs and race tracks and proposes that all Indian tribes consent to give the State 25 percent of their gambling revenue and agree to certain environmental, labor and consumer protection laws. If any of the tribes refuse to accept these provisions within 90 days of the measure passing, five race tracks and 11 card clubs would get licenses to operate a total of 30,000 slot machines; and

WHEREAS, Proposition 70 was drafted by a single Indian gaming tribe and would grant tribes 99-year casino gaming agreements; continue their monopoly on casino gambling; eliminate caps on the number of casinos on tribal land and the number of slot machines in them; and expand games that can be played to include roulette, craps and any other casino games; and

WHEREAS, Proposition 70 would effectively destroy Governor Schwarzenegger's recently negotiated agreements and would have negative impacts on cities throughout California; and

WHEREAS, in recognition of the importance of stabilizing and restoring the fiscal health of the state and its local governments, the League of California Cities has joined Governor Schwarzenegger in endorsing Proposition 1A and opposing Proposition 68 and Proposition 70; and

WHEREAS, the League of California Cities urges its member cities to adopt similar positions on these ballot measures in order to support the Local Government Budget Agreement and the Governor's recently negotiated tribal gaming agreements; and

WHEREAS, the city council of _____ recognizes the need to work in common cause with Governor Arnold Schwarzenegger to reform the state and local fiscal relationship while also working to improve the fiscal health of both state and local governments; now, therefore, be it

RESOLVED, that the city council of _____ declares its support for Proposition 1A and urges all Californians to vote "yes" for this ballot measure, and be it further

RESOLVED, that the city council of _____ declares its opposition to Propositions 68 and 70 and urges all Californians to vote "no" on these ballot measures.

ADOPTED this _____ day of 2004.